

REMARKS

Prior to entry of this Amendment:

- Claims 1-50 and 52 were pending in the present application
- Claims 1-50 and 52 stand rejected

Upon entry of this Amendment, which is respectfully requested for the reasons set forth below:

- Claims 19, 23, 26, 28, 29, 49, and 53-63 will be pending
- Claims 1-18, 20-22, 24, 25, 27, 30-48, and 50-52 will be cancelled
- Claims 53-63 will be added
- Claims 19, 49, and 53 will be the only independent claims

A. REQUEST FOR CONTINUED EXAMINATION (RCE)

This Amendment and Response is being filed in response to a Final Office Action. An RCE, along with the appropriate fee, is being filed concurrently to ensure consideration of this Amendment and Response.

B. SECTION 103(A) REJECTIONS

Claims 1 - 12, 14 - 50 and 52 are rejected as being unpatentable over a combination of Picioccio (U.S. Patent No. 5,997,236) and Rossides (U.S. Patent No. 5,269,521).

Claim 13 has been rejected over a combination of Picioccio and Roberts (U.S. Patent No. 5,772,510).

Applicants traverse the Examiner's Section 103(a) rejections. There has been no *prima facie* showing that any claim would have been obvious.

Although Applicants do not agree with any of the Examiner's Section 103(a) rejections (for at least the reasons indicated in the Response filed March 21, 2005), Claims 1-18, 20-22, 24, 25, 27, 30-48, and 50-52 have been cancelled without prejudice by this Amendment, and their rejection is moot. Applicants reserve the right to pursue the subject matter of the cancelled claims in a continuing application.

1. Substantial evidence required for all factual findings

The Board is not permitted to accept conclusory, unsupported findings made by the Primary Examiner that are not supported by substantial evidence made of record.

All findings of fact by the U.S. Patent and Trademark Office must be supported by substantial evidence within the record. In re Gartside, 203 F.3d 1305, 1315, 53 U.S.P.Q.2D 1769, 1775 (Fed. Cir. 2000).

The Supreme Court has described "substantial evidence" in the following manner:

substantial evidence is more than a mere scintilla. It means such relevant evidence as a reasonable mind might accept as adequate to support a conclusion. . . . Mere uncorroborated hearsay or rumor does not constitute substantial evidence.

Consolidated Edison Co. v. NLRB, 305 U.S. 197, 229, 83 L. Ed. 126, 59 S. Ct. 206 (1938); see also, Dickinson v. Zurko, 527 U.S. 150, 162, 50 U.S.P.Q.2D 1930, 1935, 144 L. Ed. 2d 143, 119 S. Ct. 1816 (1999) ("Zurko III").

"[R]eview under this standard involves an examination of the record as a whole, taking into consideration evidence that both justifies and detracts from the agency's decision." Universal Camera Corp. v. NLRB, 340 U.S. 474, 487-88, 95 L. Ed. 456, 71 S. Ct. 456 (1951); Zurko III, 527 U.S. at 162.

2. Subject Matter Without Support in the Record is not Substantial Evidence

As discussed below, the Examiner has based several rejections on subject matter which is alleged to be well known. No evidence of any kind has been provided for these allegations. Appellants have already disputed various assertions regarding what is 'well known' but unsupported by the record. Appellants' First Response mailed April 17, 2001, pages 9 - 10. Appellants' Second Response mailed January 28, 2002, pages 3 - 4.

Appellants note that the scope of the matter of which the Examiner could take Official Notice is strictly limited to the substantial evidence in the record for such matter. The references of record clearly do not support the Examiner's broad assertions as to what was well known.

Accordingly, the Examiner's sweeping assertions which are not supported by the references of record lack substantial evidence, and therefore cannot be used as prior art to the present application. Only the content of the references of record which are prior art to the present application may so used. "[D]eficiencies of the cited references cannot be remedied by the Board's general conclusions about what

is 'basic knowledge' or 'common sense.'" In re Zurko, 258 F.3d 1379, 1385, 59 USPQ2d 1693, 1697 (Fed. Cir. 2001); In re Lee, 277 F.3d 1338, 1344, 61 USPQ2d 1430, 1434 (Fed. Cir. 2002).

3. Obviousness

The examiner bears the initial burden of establishing a prima facie case of obviousness based upon the prior art. In re Fritch, 972 F.2d 1260, 1265, 23 U.S.P.Q.2D 1780, 1783 (Fed. Cir. 1992); Oetiker, 977 F.2d at 1445. In the absence of a proper prima facie case of obviousness, an applicant who complies with the other statutory requirements is entitled to a patent. Oetiker, 977 F.2d at 1445.

To reject claims in an application under section 103, an examiner must show an un rebutted prima facie case of obviousness. In re Rouffet, 149 F.3d 1350, 1355, 47 U.S.P.Q.2D 1453, 1455 (Fed. Cir. 1998). The prima facie case is a procedural tool, and requires that the examiner initially produce evidence sufficient to support a ruling of obviousness; thereafter the burden shifts to the applicant to come forward with evidence or argument in rebuttal. In re Kumar, 418 F.3d 1361, 1366, 76 U.S.P.Q.2D 1048, 1050 (Fed. Cir. 2005). The patent applicant may attack the Examiner's prima facie determination as improperly made out, or the applicant may present objective evidence tending to support a conclusion of nonobviousness. Fritch, 972 F.2d at 1265. When rebuttal evidence is provided, the prima facie case dissolves, and the decision is made on the entirety of the evidence. Kumar, 418 F.3d at 1366; Oetiker, 977 F.2d at 1445.

The underlying factual determinations on which a conclusion of obviousness is allegedly based are reviewed to ascertain whether they are supported by substantial evidence. In re Kumar, 418 F.3d at 1365 (citing Gartside, 203 F.3d at 1316). Unsupported assessments of the prior art are unacceptable for purposes of review. "Rather, the Board must point to some concrete evidence in the record in support of these findings. To hold otherwise would render the process of appellate review for substantial evidence on the record a meaningless exercise." In re Zurko, 258 F.3d at 1385-86. "[D]eficiencies of the cited references cannot be remedied by the Board's general conclusions about what is 'basic knowledge' or 'common sense,'" nor may the Board simply reach conclusions based on its own understanding or experience. In re Zurko, 258 F.3d at 1385; Lee, 277 F.3d at 1344. "[T]he Board must not only assure that the requisite findings are made, based on evidence of record, but must also explain the reasoning by which the findings are deemed to support the agency's conclusion." Lee, 277 F.3d at 1344.

In making the assessment of differences between the prior art and the claimed subject matter, Section 103 specifically requires consideration of the

claimed invention “as a whole.” Princeton Biochemicals, Inc. v. Beckman Coulter, Inc., 411 F.3d 1332, 1337 75, U.S.P.Q.2D 1051, 1054 (Fed. Cir. 2005); Ruiz v. A.B. Chance Co., 357 F.3d 1270, 1275, 69 U.S.P.Q.2D 1686, 1690 (Fed. Cir. 2004). Inventions typically are new combinations of existing principles or features. Envtl. Designs, Ltd. v. Union Oil Co., 713 F.2d 693, 698, 218 U.S.P.Q. 865, 870 (Fed. Cir. 1983) (noting that “virtually all [inventions] are combinations of old elements”). The “as a whole” instruction in title 35 prevents evaluation of the invention part by part and requires a showing that an artisan of ordinary skill in the art at the time of invention, confronted by the same problems as the inventor and with no knowledge of the claimed invention, would have selected the various elements from the prior art and combined them in the claimed manner. Ruiz, 357 F.3d at 1275.

Whether a rejection is based on a purported combination of relevant teachings of separate references, or on a purported modification of the prior art, an examiner can satisfy the prima facie burden only by showing some objective teaching (either in the prior art or the knowledge generally available to one of ordinary skill) would lead to the purported combination or modification. Fritch, 972 F.2d at 1265-66; Rouffet, 149 F.3d at 1355-56. Also, where the examiner fails to explain the specific understanding or principle within the knowledge of a skilled artisan that would motivate one with no knowledge of the claimed invention to make an alleged combination of references, the court may infer that the examiner selected the references with the assistance of hindsight, which is forbidden. Lacking a motivation to combine, there is no prima facie case of obviousness. Rouffet, 149 F.3d at 1358. There must be some reason, suggestion, or motivation found in the prior art whereby a person of ordinary skill in the field of the invention would make the combination. That knowledge cannot come from the applicant’s invention itself. Oetiker, 977 F.2d at 1447.

“Recognition of an unsolved problem does not render the solution obvious.” Cardiac Pacemakers, Inc. v. St. Jude Medical, Inc., 381 F.3d 1371, 1377, 72 U.S.P.Q.2D 1333, 1337 (Fed. Cir. 2004) (“Recognition of a need does not render obvious the achievement that meets that need. There is an important distinction between the general motivation to cure an uncured disease (for example, the disease of multiple forms of heart irregularity), and the motivation to create a particular cure.”).

A “teaching or suggestion or motivation [to combine]” is an “essential evidentiary component of an obviousness holding.” C.R. Bard, Inc. v. M3 Sys., Inc., 157 F.3d 1340, 1352, 48 U.S.P.Q.2D 1225, 1232 (Fed. Cir. 1998). Evidence of a suggestion, teaching, or motivation to combine may flow from the prior art references themselves, the knowledge of one of ordinary skill in the art, or, in some

cases, from the nature of the problem to be solved. In re Dembiczak, 175 F.3d 994, 999, 50 U.S.P.Q.2D 1614, 1617 (Fed. Cir. 1999); see also, e.g., Nat'l Steel Car, Ltd. v. Canadian Pac. Ry., Ltd., 357 F.3d 1319, 1337-39, 69 U.S.P.Q.2D 1641, 1655-56 (Fed. Cir. 2004) (finding that whether or not a drawing and disclosure had been disseminated to a sufficiently broad public so as to give either the status of a prior art reference, they (and corresponding witness testimony) were evidence relevant to whether a motivation to combine was implicit in the knowledge of one of ordinary skill in the relevant art).

"The range of sources available, however, does not diminish the requirement for actual evidence" showing the teaching or motivation to combine—"particular findings regarding the locus of the suggestion, teaching, or motivation to combine the prior art references" must be made. Dembiczak, 175 F.3d at 999-1000 ("Combining prior art references without evidence of such a suggestion, teaching, or motivation simply takes the inventor's disclosure as a blueprint for piecing together the prior art to defeat patentability--the essence of hindsight."). See also, In re Kotzab, 217 F.3d 1365, 1371, 55 U.S.P.Q.2D 1313, 1317 (Fed. Cir. 2000) ("Whether the Board relies on an express or an implicit showing [of a teaching, motivation, or suggestion to combine or modify], it must provide particular findings related thereto.")

Any findings of prior knowledge in the field of the invention (including purported motivations to combine) must be supported by tangible teachings of materials made of record. Cardiac Pacemakers, 381 F.3d at 1376 ("Prior knowledge in the field of the invention must be supported by tangible teachings of reference materials"); Gambro Lundia AB v. Baxter Healthcare Corp., 110 F.3d 1573, 1578-79, 42 U.S.P.Q.2D 1378, 1383 (Fed. Cir. 1997) ("However, the record must provide a teaching, suggestion, or reason to substitute computer-controlled valves for the system of hoses in the prior art. The absence of such a suggestion to combine is dispositive in an obviousness determination.").

4. Limitations of Independent Claims Not Present

Each pending rejected independent claim (independent Claims 19 and 49), recites a processor operative with a program (Claim 19) or instructions for directing a computer (Claim 49) to provide the following:

- *outputting an offer of a product and*
- *selecting the product from among the plurality of products based on a monetary value and minimum acceptable price data*

The *monetary value* of this feature is:

- *a monetary value available for purchasing a product*

The Examiner has not shown that the references, alone or in combination, suggest *outputting an offer of a product which is selected from among the plurality of products based on the monetary value and the minimum acceptable price data.*

Proposed Factual Findings

The Examiner admits that Picioccio does not disclose that there is *minimum acceptable price data* for products. Third Office Action, page 3, paragraphs (a) and (c).

The Examiner asserts that

Picioccio teaches outputting an offer of a product which is selected from among the plurality of products based on a monetary value (col. 9, lines 19-29). In other words, Picioccio teaches a customer choice [sic—chooses?] a particular product based on a particular amount of money. Thus, the vending machine offers a product according to the monetary value. For example, a candy costs \$5. In further note for the limitation discussed in part c below, the \$5 can also be a minimum acceptable price data for this candy since \$5 is the lowest price acceptable for this candy.

Fourth Office Action, pages 2-3.

The Examiner thus explicitly rests the rejection on the alleged teaching in Picioccio that a customer selects a product based on a monetary value. Thus, the Examiner must concede that the Examiner has failed to provide evidence of an automatic sales machine, a processor, or a computer selecting a product based on a monetary value (much less based on both a monetary value and a minimum acceptable price), as generally provided for in independent Claims 19 and 49. The

Examiner cannot ignore the plain language of the claims. The Examiner has failed to establish a prima facie case of obviousness for at least this reason.

The Examiner's finding is also illogical. The Examiner appears to be arguing that because a customer might select a particular product based on a monetary value, any offering of that product by the vending machine prior to the customer's selection must also have been offered based on that monetary value. According to the Examiner's finding, the vending machine somehow reads the customer's mind in advance to know what product the customer will select based on a monetary value and then offers that product before the customer selects it. Picioccio does not support any such interpretation. Picioccio is devoid of any hint of offering or selecting a product based on a monetary value or a minimum acceptable price, much less selecting a product based on both a monetary value and a minimum acceptable price.

The Examiner asserts that Rossides "discloses normal price data or minimum acceptable price data for each of a plurality of products. I [sic] abstract (expected price, price offered), col 8, L 5-22, 65-68; col 9, L 34-38; col 15, L 9-16; col 16, L 15-53." Office Action, page 3, second paragraph.

The Examiner further asserts:

The examiner disagrees with applicant's representative since Rossides teaches minimum acceptable price data (col. 8, line 5 to col. 9, lines 68; col. 15, lines 9-16; col. 16 lines 15-53. In other words, Rossides teaches minimum acceptable price data by illustrating the minimum acceptable price for a particular product. For example, the minimum acceptable price for an egg is \$.30.

On the contrary, Rossides suggests neither normal price data nor minimum acceptable price data for each of a plurality of products, much less maintaining a database including both types of data.

However, the cited portions of Rossides disclose a gambling system in which one may make a bet and thus pay for a chance of winning a greater number of units of a product, rather than paying for the certainty of a product. For example, the first portion of Rossides the Examiner cites (col. 8, lines 5 - 22) disclose that rather than purchasing 50 pens for \$100 (a unit cost of \$2 per pen), one could instead make a bet in which the store wins 500 pens with a 1 / 5 chance of winning at a cost of \$100. Since there is a 1 / 5 chance of winning, the expected number of pens received in that bet is 100 pens (500 pens x 1 / 5). Thus, the unit cost per pen in this bet is only \$1 per pen (\$100 / 100 expected pens).

The remaining portions of Rossides likewise do not disclose or suggest that there is *minimum acceptable price data* for products.

Since the references of record suggest even that there is *minimum acceptable price data* for products, the references of record clearly cannot suggest the limitation (present in all claims) of a program operative with a processor or instructions for directing a computer for:

- *outputting an offer of a product and*
- *selecting the product from among the plurality of products based on a monetary value and minimum acceptable price data*

Consequently, a prima facie case of unpatentability has not been made.

5. No Motivation to Combine or Modify Picioccio and Rossides

The Examiner offers the following motivation to combine Picioccio and Rossides:

"it would have been obvious to one of ordinary skill in the art at the time of applicant's [sic] invention to use these features for the advantage of increasing sales and moving inventory"

See, Office Action, page 3, et seq.

The proposed "motivation" is generally an allegation that the modification would have been beneficial. However, a motivation to modify only exists where the prior art teaches such a benefit. There must be substantial evidence that the prior art would have provided such a motivation. The record does not support the proposed motivation.

The evidence of record relied upon by the Examiner cannot support a finding that it was known or desirable to provide for a database including both normal price data and minimum acceptable price data, or for offering a product that is selected based on a monetary value and minimum acceptable price data. The general assertion of "increasing sales and moving inventory" does not even hint at the specific claimed embodiments. "Recognition of an unsolved problem does not render the solution obvious." Cardiac Pacemakers, Inc. v. St. Jude Medical, Inc., 381 F.3d 1371, 1377, 72 U.S.P.Q.2D 1333, 1337 (Fed. Cir. 2004) ("Recognition of a need does not render obvious the achievement that meets that need. There is an important distinction between the general motivation to cure an uncured disease (for example, the disease of multiple forms of heart irregularity), and the motivation to create a particular cure.").

No evidence has been provided that the prior art would in any way recognize the desirability of the proposed combination. Accordingly, there has been no prima facie showing of obviousness of any claim.

6. No Prima Facie Showing of Obviousness of Dependent Claims

Since the record fails to show the obviousness of any independent claim, the record cannot show that any dependent claim is obvious. Moreover, even if the record did show the obviousness of any independent claim, the rejection of several dependent claims lacks a proper evidentiary basis for a prima facie showing of obviousness.

6.01. Claim 26

Since, as argued above, Rossides (as well as the other references of record) does not in any way suggest *minimum acceptable price data*, Rossides (as well as the other references of record) cannot suggest the claimed limitations of:

determine whether the monetary value is at least as great as the lowest minimum acceptable price, and
to offer the product performed only upon determining that the monetary value is at least as great as the lowest minimum acceptable price
(claim 26)

The Examiner has not even attempted to explain how any combination of Picioccio and Rossides would provide for such features. Nothing in either reference remotely suggests when to make an offer, much less offering a product only upon making the specific recited determination.

Accordingly, there has been no prima facie showing that these dependent claims would have been obvious.

6.02. Claim 28

Claim 28 recites the following limitation: *the database further includes expiration data for each of the plurality of products and wherein the processor is further operative with the program in the memory to select the product based on the expiration data.*

The Examiner makes the following factual assertion:

As per Claim 28, Picioccio discloses the database includes expiration data for each of the plurality of products and the processor is further operative with the program in the memory to

select the product based on the expiration data. I Picioccio as applied to claim 19 and refer to reasoning under claim 13.

Office Action mailed October 19, 2004, page 12.

The Examiner makes the following contradictory factual assertion:

"Neither Picioccio nor Rossides explicitly disclose expiration data for each of the plurality of products and the step of selecting is further based on the expiration data. However, Roberts discloses expiration data for each of the plurality of products and the step of selecting is further based on the expiration data. I [sic] fig 2A(drawing at 7:00; fig 88(7:30 PM))."

Office Action mailed October 19, 2004, page 22.

Thus, the Examiner is confused as to whether the Examiner believes that Picioccio suggests expiration data for each of the plurality of products. Picioccio does not suggest expiration data or performing any function based on expiration data. Applicants proceed as if the Examiner is relying on Roberts in rejecting Claim 28.

Whether or not Roberts could be interpreted as suggesting "expiration data for each of the plurality of products", Roberts (or any other cited reference) does not disclose or suggest doing anything based on expiration data, much less selecting a product based on the expiration data.

Moreover, Roberts is directed to a lottery ticket system, and this is not analogous art.

The Examiner has failed to establish a prima facie case of obviousness of Claim 28 for at least these reasons.

C. NEW CLAIMS 53-63 CONTAIN ALLOWABLE SUBJECT MATTER

Each of new Claims 53-63 is allowable over the evidence relied upon by the Examiner (Picioccio, Rossides, and Roberts). Claims 54-63 depend from new independent Claim 53.

New independent Claim 53 recites a feature generally directed to a processor operative with a program to determine a respective profit margin for each of a plurality of products, to select a first product based on the respective profit margins, and to transmit a signal to dispense the selected first product if an offer for a combination of products is accepted. Nothing in the cited references suggests a processor operative with a program to select a first product based on determined profit margins, much less dispensing the selected first product if an offer for a combination of products is accepted.

New Claim 54 further recites determining a respective minimum acceptable price for each of the plurality of products. As discussed above, nothing in the cited references is substantial evidence that such a feature was known or desirable.

New Claims 57 and 58 recite in which the selected first product has the lowest (Claim 57) or highest (Claim 58) profit margin among the plurality of products. Nothing in the cited references suggests selecting a product based on its profit margin, or selecting a product having the highest or lowest profit margin to dispense.

New Claim 61 further recites determining expiration data for each of the plurality of products and selecting, based on the respective profit margin and the respective expiration data for each of the plurality of products, the first product from among the plurality of products. As discussed above, nothing in the cited references is substantial evidence that it was known or desirable to select a product based on expiration data, much less based on both profit margin and expiration data.

New Claim 62 further recites determining expiration data for each of the plurality of products and selecting, based on the respective profit margin and the respective demand data for each of the plurality of products, the first product from among the plurality of products. Nothing in the cited references is substantial evidence that it was known or desirable to select a product based on both demand data and profit margin.

New Claim 63 further recites automatically determining revenue data associated with the plurality of products and selecting, based on the respective profit margin for each of the plurality of products and the revenue data, the first product from among the plurality of products. Nothing in the cited references is

substantial evidence that it was known or desirable to select a product based on both profit margin and automatically determined revenue data.

Accordingly, Applicants submit that each of new Claims 53-63 contains allowable subject matter.

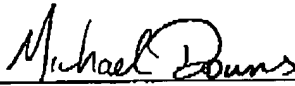
D. CONCLUSION

It is submitted that all of the claims are in condition for allowance. The Examiner's early re-examination and reconsideration are respectfully requested.

If the Examiner has any questions regarding this amendment or the present application, the Examiner is cordially requested to contact Michael Downs at telephone number (203) 461-7292 or via electronic mail at mdowns@walkerdigital.com.

Respectfully submitted,

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